
January 19, 2021

The Honorable Delores G. Kelley
Chair, Senate Finance Committee
3 East Miller Senate Building
Annapolis MD 21401

Re: Letter of Support – Senate Bill 230 – Maryland Port Administration – Land Acquisition and Payment to Counties

Dear Chair Kelley and Committee Members:

The Maryland Department of Transportation (MDOT) supports Senate Bill 230, as it would allow the MDOT Maryland Port Administration (MDOT MPA) to acquire property in an efficient and competitive manner. This would directly and significantly impact MPA by supporting the continued success and growth of the Port of Baltimore, one of the leading ports in the nation for freight and an economic generator for the State of Maryland.

Senate Bill 230 reduces the waiting period that a political subdivision has to respond to the MDOT MPA's request to purchase property in that political subdivision from 90 days to 30 days; amends the requirement of a public meeting in Anne Arundel County to be optional; and limits any voluntary agreement or payment in lieu of taxes (PILOT) that the MDOT MPA may enter into for tax-exempt property to a period of three years.

The current protracted waiting period under Maryland law (TR § 6-304), which is not a burden applicable to any other public or private entity in the State, negatively impacts the ability of the MDOT MPA to act quickly to acquire unique and diminishing industrial property adjacent to deep water. The statute-enforced inability to act quickly to acquire property greatly increases the risk that rare industrial properties will be acquired by a different entity, which may not have the same intention that MPA has of ensuring the property remains industrial, generating hundreds of jobs necessary to Maryland's economy. Furthermore, the unrestricted ability of a political subdivision to request a PILOT in the form of the full tax rate directly contradicts the clear intent of Maryland law (TR § 6-308) to exempt the Port of Baltimore and cargo facilities from taxation. When the MDOTMPA acquires property, the political subdivision is guaranteed the commitment from the Port that the property will produce jobs and economic activity, thereby generating personal income, business revenues, and state and local tax revenues to the state and political subdivision.

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The MDOT MPA is in constant competition with rival ports to increase cargo volumes, expand terminals, and provide positive economic growth for the State and political subdivision where port facilities are located. For the MDOT MPA to retain its competitive edge over competing ports, to the benefit of each political subdivision in an industry that operates on razor-thin margins, the MDOT MPA needs to be able to quickly respond to land acquisition opportunities with approval from the political subdivision, followed by a cost-effective proposal for a reasonable PILOT to not exceed three years.

At the Port of Baltimore, the MDOT MPA works diligently to accomplish its mission to increase waterborne commerce through the State of Maryland in a way that benefits the citizens of the State and the City of Baltimore. In doing so, the Port has consistently proven its value as a good neighbor and strong partner throughout the State. The Port of Baltimore generates 15,330 direct family-supporting jobs for Marylanders, where the average wage of these jobs exceeds the statewide average annual wage by 9.5 percent. The Port handles more automobiles, light trucks, and roll-on/roll-off farm and construction machinery than any other port in the U.S. Throughout the COVID-19 pandemic, Maryland's Port remains integral in maintaining our nation's supply chain, moving vital goods to the healthcare industry and consumers. The Port of Baltimore serves as a staple for the State's economic resiliency, where cargo numbers continue to climb.

For the Port of Baltimore to continue to operate successfully as an economic engine for the State, growth cannot be impeded by restrictive requirements that conflict with the intent of the Maryland General Assembly in ensuring the Port's ability to grow and acquire property in a fair and meaningful manner, which directly benefits the State by generating good-paying, family-supporting jobs and increasing business revenues and local taxes.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant Senate Bill 230 a favorable report.

Respectfully Submitted,

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